

MASON COUNTY, WASHINGTON
January 1, 1991 Through December 31, 1992

Schedule Of Findings

1. Mason County Should Terminate Cellular Telephone Payment Guarantee For Employees' Personal Accounts

The Mason County Sheriff has permitted some deputy sheriffs to purchase their own cellular telephone units under a program which provides for telephone calls, both personal and business, to be billed at a state contracted rate. Billings for the cellular services are sent to the deputies at a county address. Ostensibly the deputies pay the entire bill and then, periodically, seek reimbursement for any official calls on their expense vouchers. The county commissioners have not approved this practice.

Although the cellular telephone accounts are in the name of the deputy, under terms and conditions imposed by US West Cellular Company, Mason County must guarantee payment for employees who use the state contract. In the event a deputy cannot, or will not, pay the monthly bill Mason County is liable for the amount of the debt. This act of surety constitutes the lending of the county's credit.

The *Constitution of the State of Washington*, Article 8, Section 7, states in part:

. . . No county, city, town or other municipal corporation shall hereafter give any money, or property, or loan its money, or credit to or in aid of any individual, association, company or corporation . . . (Emphasis added.)

We recommend that sheriff's office personnel not be permitted to access the county's cellular telephone rate without the county commissioners approval, and that the county terminate its agreement with US West Cellular which guarantees payment of accounts not in the county's name.

2. Mason County Should Improve Commissioners' Meetings Minutes Recording And Approval Process

In our audit of Mason County, we noted weaknesses regarding the printing, approval, and signing of minutes of the board of commissioners. A significant number of the commission meetings' minutes had errors or omissions. Specifically, we noted the following:

- a. There were 38 cases in which the printed minutes could not be located. There were copies of the minutes on computer disk, but the county had no way to distinguish between draft and final minutes in disk format.
- b. There were seven cases in which the minutes were printed and appeared to be approved, but were not signed by the commissioners.
- c. There were an additional eight meetings with incomplete signatures. One commissioner who attended the meetings did not sign the minutes in seven cases. In one case he did not attend the meeting but signed the minutes.
- d. In 18 cases the minutes were approved in an untimely manner (from three months to nine months after the meeting took place).

RCW 42.32.030 states in part:

The minutes of all regular and special meetings . . . shall be promptly recorded and such records shall be open to public inspection.

Without timely recording of the final minutes, the public and county management may make decisions based on records that are subject to changes. Further, when the approval process takes place so late after the meeting, the commissioners may not remember the detail with enough clarity to affect a meaningful review and approval.

We attribute these problems to the county not prioritizing the timely review and approval of minutes.

We recommend that the county implement procedures whereby the minutes of the board of county commissioners meetings are consistently recorded and approved in a timely manner.

3. Mason County Should Improve Its Governmental Fixed Assets Accounting Procedures

In our audit of Mason County, we noted numerous weaknesses in the accounting of governmental fixed assets. Specifically, we noted the following:

- a. Procedures do not ensure all assets acquired will be recorded.
- b. General fixed asset database records consistently lack essential information pertaining to asset acquisition and historical cost.
- c. General fixed asset tag numbers are not always unique.
- d. Fixed assets are not consistently tagged.
- e. Fixed assets are not consistently recorded at the correct cost.
- f. Real property listings do not consistently agree to cost data.

Both the *Budgeting, Accounting and Reporting System* (BARS) manual, prescribed for Washington counties, and generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board, require accounting for and reporting of fixed assets.

Without adequate detail supporting records, the county lacks the ability to adequately safeguard and report these assets.

We attribute these weaknesses primarily to staff unfamiliarity with governmental fixed asset requirements.

We recommend that the county review the fixed asset accounting policies and procedures, revise them as necessary, and consistently follow them.

4. Annual Financial Reports Should Be Prepared And Submitted Within The Prescribed Reporting Period

The county is required to prepare an annual financial report which presents the county's financial position and results of operation for each calendar year. The report should be submitted to the State Auditor's Office by May 30 of the following year. Mason County did not file its 1991 annual financial report until June 10, 1992.

RCW 43.09.230 states in part:

The state auditor shall require from every taxing district and other political subdivisions financial reports covering the full period of each fiscal year

Such reports shall be prepared, certified, and filed . . . within one hundred fifty days after the close of each fiscal year.

As noted in the last audit report, the county has had difficulty in preparing timely financial statements due to staffing limitations in the county auditor's office.

Untimely financial reports restrict the access of financial information to the county commissioners, the public, and state and federal agencies; it also delays the State Auditor's Office in compiling statistical and financial information required by the state legislature.

We recommend that the county ensure that annual reports are submitted timely.